U.S. Army Audit Agency

Strategic Plan

With Detailed Action Plans

FYs 2001 – 2005

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U.S. Army Audit Agency Strategic Plan – With Detailed Action Plans *(FYs 2001-2005)*

Mission and Vision

Mission

The Agency serves America's Army by providing objective and independent auditing and consulting services. These services help the Army make informed decisions, resolve issues, use resources effectively, and satisfy statutory and fiduciary responsibilities.

Vision

We will be the best audit organization serving the Federal Government. As an integral part of the Army team, we will exceed our customers' expectations through timely, value-added services and foster employee innovation and ingenuity in accomplishing our mission.

Values

How we accomplish our Mission and move toward our Vision tells a lot about us as an organization and as individuals. Our Values express the beliefs and ideals we want to use to succeed. They directly relate to how we want to treat each other and our customers. They also recognize and support the spirit of the Army's Values: duty, honor, loyalty, integrity, respect, personal courage and selfless service. The Agency emphasizes these values:

Values
1. **Quality Services:** Agency personnel provide high-quality, customer-focused service that is useful, timely and responsive, and in keeping with professional standards.
2. **Personal Growth:** The Agency provides fair, equal and stimulating opportunities for all employees to flourish and express themselves in an environment that supports empowerment, risk-taking and innovation.
3. **Teamwork:** Agency personnel at all levels work as a team to accomplish the Agency's Mission and Goals.
4. **Independence:** The Agency maintains its freedom to perform its Mission.
5. **Ethics:** Agency personnel are recognized for their integrity, credibility and commitment to accountability.
6. **Progress:** Agency personnel adapt quickly to change, exploit new technologies, and look for and institute innovative approaches and techniques.
7. **Professionalism:** Agency personnel are highly dedicated, ethical and committed to continuous professional advancement through education and active participation in professional organizations.
8. **Quality of Life:** The Agency encourages a culture that promotes the well-being, job satisfaction and morale of all employees. It also provides and promotes a quality work environment that improves efficiency and productivity.

Trends and Assumptions

Trends and assumptions represent those factors, both controllable and uncontrollable, which may significantly affect our future environment.

	Trends and Assumptions
1.	Agency services will continue to exceed client expectations. As a result, client satisfaction goals and ratings will continue to increase.
2.	Requested work (including consulting [20 percent]) will account for 50 percent of total available days.
3.	Technological improvements in our clients' business processes will require the Agency to make significant changes in our audit processes, personnel and operating practices.
4.	Agency employees will possess more functional expertise, enabling the Agency to respond to our clients' needs faster and with higher quality products.
5.	Employee satisfaction ratings will continue to improve.
6.	The Agency will continue to challenge personnel regulations and pay restrictions to achieve some Agency personnel goals.
7.	Higher than normal retirements will cause an increase in requirements for recruiting, training and succession planning and will provide additional opportunities for advancement and diversity in the workforce.
8.	Funding will remain fairly stable, but operational requirements will continue to increase. As a result, we must continue to seek greater efficiencies.
9.	As our business environment changes, we will continue to evaluate staffing and the location of our auditors and enabling staff.
10.	Agency authorizations and grade structure will remain fairly constant.
11.	Emphasis on privatization of government services, including audit, will continue for the foreseeable future.
12.	Advances in technology will continue and require management scrutiny to ensure affordability and a reasonable return on investment.
13.	We will increase emphasis on personnel management and quality of life issues.
14.	More resources will be devoted to CFO audits to achieve the Army's initial favorable opinion. However, after favorable opinions are obtained, we will be able to devote a higher percentage of overall audit time to non-CFO audits.

Overview of the Goals

Overarching Theme	Goal
Customer Satisfaction (CS)	Exceed customer expectations through timely, value-added services.
Workforce (WF)	Recruit, develop and retain a highly motivated and skilled workforce that is fully empowered to innovate and take risks.
Organizational Effectiveness & Efficiency (OE)	Operate the most effective and efficient audit organization.
Corporate Citizenship (CC)	Expand corporate citizenship by fully integrating the Agency into Army functions, performing community service, and actively participating in professional activities.

Strategies, Action Plans and Performance Measures

The upcoming sections outline the strategies, related action plans and performance measures for each goal. Here is an explanation of each area.

Strategies. The strategies state the broad areas that need to be addressed to accomplish the goal. Each strategy is linked to the related goal through a numbering mechanism. For example, the first strategy for customer satisfaction is CS1. The abbreviations for the strategies are:

- Customer Satisfaction – CS
- Workforce – WF
- Operational Effectiveness and Efficiency – OE
- Corporate Citizenship - CC

Action Plans. The action plans outline the detailed steps needed to accomplish the related strategy. We have detailed timelines, owners, and other resource information if further information is desired.

Performance Measures. The performance measure is the mechanism we will use to determine how well we accomplish our goals. Where we currently track the information, we identified our target for each year covered in the strategic plan. However, we have not established the targets for a number of new measures. As we implement the action plans related to these measures, we will be able to determine the targets. In a few cases we recognize the need for a performance measure, but we aren't in the position to identify what that measure should be until we start implementing the related action plan.

Our strategic plan is a living document that we will continuously update as our environment changes, as we implement various aspects of the plan, and as we better understand what we need to do.

Goal 1 – Customer Satisfaction

Exceed customer expectations through timely, value-added services.

Objective Areas	
1-1	Overall Customer Satisfaction
1-1a	Benefits of the Engagement
1-1b	Timeliness of Information Delivery
1-1c	Customer Satisfaction With Teams
1-2	Repeat Requests
1-3	Maintaining Agency Relevance to the Army

Strategy CS1

Maintain or enhance overall customer satisfaction for (i) benefits of the engagement, (ii) timeliness of delivery, (iii) satisfaction with audit teams and (iv) repeat requests.

Action Plans
1. Enhance the process for acquiring, measuring and evaluating customer feedback.
a. Map and evaluate the existing customer feedback mechanism.
b. Revise the customer survey process (questionnaire) as necessary to make sure that performance data is efficiently and effectively collected. Also look for ways to increase the return rate of questionnaires.
c. Evaluate the specific process(es) used to gather, address and resolve customer complaints. Make sure the process(es) includes documentation of complaint disposition.

Strategy CS2

Maintain relevance and value by anticipating and responding to the Army's evolving needs for audit and consulting services.

Action Plans
Determine the feasibility of establishing a research and development process that continuously assesses and responds to the Army's evolving needs. If appropriate, prepare a plan to develop and adopt the process.
1. Charter and resource a feasibility study group to conduct a 90-day research effort. The study will review, evaluate and identify method(s) for assessing and responding to the Army's evolving needs.
a. Identify current efforts/methods used to identify the Army's needs.
b. Revisit the Agency's past forays into research and development to identify possible lessons learned.
c. Identify personnel, data and other information sources that will help us understand key Army issues, priorities and initiatives, and new services/products available or proposed.
d. Identify options and estimated resource requirements to address research and development.
e. Present results, conclusions and recommendations to the Agency leadership for consideration/approval.
f. Agency leaders review the proposal and determine course of action.

Action Plans
2. If the feasibility study is approved:

a. Develop a detailed implementation plan that, at a minimum:
 	
        ♦ Defines the research mission.
 	
        ♦ Identifies the appropriate organizational element responsible for managing the program.
 	
        ♦ Delineates integrated research processes that will shape future efforts. The research processes should be designed to
 	
          - Evaluate the changes in environment and business processes liable to result from the Army's near-, mid- and long-term modernization initiatives and identify the changes we need to make to keep pace and maintain relevance.
 	
          - Identify potential high-priority topics and issues that need to be included in our audit plans/programs. (The goal would be to achieve balanced alignment of our resources with the Army's needs and priorities.)
 	
          - Identify and evaluate best practices and technological advances that can be used to develop new services and capabilities that would enhance our value to the Army.
 	
        ♦ Include provisions for identifying and incorporating new skill requirements into the skills matrix (link to WF1-1)

b. Present the plan to the Agency leadership for consideration/approval.
c. Agency leaders review the plan and determine course of action.
3. Resource, implement and institutionalize the approved approach. Establish appropriate performance measures.

Customer Satisfaction Performance Measures

Objective		FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
1-1	Overall Customer Satisfaction.	4.55	4.55	4.55	4.60	4.60	4.60
1-1a	Benefits of the Engagement	4.50	4.50	4.50	4.55	4.55	4.55
1-1b	Timeliness of Information Delivery	4.55	4.55	4.55	4.60	4.60	4.60
1-1c	Customer Satisfaction With Teams	4.60	4.60	4.60	4.65	4.65	4.65
1-2	Repeat Requests	4.60	4.60	4.60	4.65	4.65	4.65
1-3	Agency Relevance to the Army	TBD					

Goal 2 - Workforce

**Recruit, develop and retain a highly motivated and skilled workforce
that is fully empowered to innovate and take risks.**

Objective Areas	
2-1	Develop and Enhance Job and Interpersonal Skills
2-2	Develop a Highly Motivated Workforce
2-3	Recruit, Assimilate and Retain High-Quality Personnel

Strategy WF1

Develop and enhance skills of the workforce.

Action Plans
1. Identify the desired corporate and functional skill sets for the total workforce.
a. Charter a team that is a cross-representation of the Agency to develop the skill matrix. The team should also include specialists from education, IT and personnel.
b. Identify desired skills. Areas that should be covered include: ♦ Core skills (today's matrix plus personnel management, advanced audit techniques and IT)   ♦ Functional skills   ♦ Professional development (advanced degrees, professional certification and membership in professional organizations)
c. Review functional skill sets to identify any cross-cutting requirements.
d. Develop a skill matrix.
e. Establish a process for continuous review and update of the skills matrix based on changing needs (link to CS2, OE2, OE3, etc.)
f. Develop performance measures (related to the amount of training delivered to meet requirements).
g. Present results, conclusions and recommendations to the Agency leadership, personnel specialist and legal counsel for consideration/approval.
2. Evaluate and modify the process for delivering training to meet requirements considering such things as the cost of the training, impact on direct time, Agency goals, funding availability, team objectives, and CPE requirements. Consider short-term acquisition of skills to meet urgent needs.
3. Based on the skills identified in step 1, develop IDPs for staff covering the period of time expected before team rotation.
4. Continue the research project to explore how the Agency can incorporate functional diversity into the workforce.

Strategy WF2

Offer an environment where all communications barriers are eliminated, teamwork is considered a reality, pay is directly linked to performance, and quality of life and office environments enhance employee commitment to the organization.

Action Plans
1. Improve communications and enhance teamwork.
a. Benchmark with the private sector's top companies to identify best practices.
b. Consider using an independent source to assess the teams and help build team cohesiveness.
c. Expand and fully use mechanisms to improve two-way communications. For example: ♦ Agency Advisory Board   ♦ Town hall and team meetings   ♦ Employee satisfaction questionnaires
d. Continue to monitor employee satisfaction questionnaire results for trends and corrective actions, if necessary.
2. Recognition
a. Continue to pursue authority to do pay banding. Assess the appropriateness of journey grade in an effort to better link performance with pay.
b. Benchmark recognition program with other Federal agencies and private sector companies. Identify additional recognition techniques that can be adopted (for example, expanding the awards program to give recognition for successful innovation, risk-taking, etc.).
c. Recognize employees by: ♦ Having award ceremonies.   ♦ Making publication in staff notes mandatory.   ♦ Having the Deputy Auditors General send congratulation letters for all promotions.
d. Continue to analyze the results of employee satisfaction questionnaires, take action as needed to address concerns and publish actions taken.

Action Plans
3. Quality of Life

a. Explore options and recommend strategies for enhancing employee quality of life.
 	
♦ Identify quality of life initiatives available to the Federal workforce
 	
♦ Research other audit groups to:
 	
   - Determine what quality of life initiatives they have implemented.
 	
   - Identify processes they use to manage quality of life initiatives.
 	
♦ Analyze and consider results of employee questionnaire.
 	
♦ Evaluate the effects associated with implementing individual quality of life initiatives from the perspective of prudent business practices.

b. Present plan to AAB for feedback.
c. Present plan to the Agency leadership for consideration/approval.
d. If approved, develop and issue detailed implementing guidance for those quality of life initiatives that make sense for the Agency and its employees.
e. Periodically assess quality of life initiatives, as they become known through the employee satisfaction questionnaire.
f. Office environment. Continue efforts to improve the workplace ♦ Develop checklist for field visits. ♦ Update the inventory of office needs. ♦ Prioritize requirements and incorporate them into the funding allocation process. ♦ Satisfy priorities based on funding availability.

Strategy WF3

Establish a working environment that attracts and retains high-quality personnel.

Action Plans
1. Recruiting Program. Continuously monitor, update and execute the recruiting strategy.
2. Continuously refine new employee orientation program.
3. Retention strategy
a. Analyze the Agency's attrition statistics, exit information and narrative comments in employee questionnaire to identify trends and potential problem areas.
b. Benchmark with other government activities. Determine their attrition rate and efforts to improve retention.
c. Identify incentives, benefits and other privileges that OPM allows for Federal employees. Indicate those that are currently available to Agency employees. Refer any quality of life initiatives to PAT team working on WF2-3a.
d. Assess the options that might enhance retention of Agency employees. Consider applicability/affordability to the Agency. Present results to the Senior Management Group for consideration/approval.

e. Develop and implement a retention strategy. The strategy should:
 	
    ♦ Incorporate approved options.
 	
    ♦ Address problem areas identified and proposed corrective actions.
 	
    ♦ Refine method for capturing exit information.
 	
    ♦ Recognize the change in workforce mix.

Strategy WF4

Enhance personnel and career management in the organization.

Action Plans
1. Evaluate existing personnel and career management practices, policies and roles; establish a baseline; and identify opportunities for enhancement (including field office management and operations).
a. At a minimum, evaluate: ◆ Counseling ◆ Feedback ◆ Coaching ◆ Mentoring ◆ Rotations
b. Present results, conclusions and recommendations to the Agency leadership, personnel specialist and legal counsel for consideration/approval.
2. Update and revise policies to reflect accepted adjustments.
3. Implement adjustments.
4. Continuously monitor through the employee satisfaction questionnaire and update as necessary.

Workforce Performance Measures

Objective	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
2-1 Overall employee satisfaction.	3.85	3.85	3.90	3.95	4.00	4.00
2-1a Amount of training delivered to meet requirements.		Need to establish baseline	TBD after baseline is established.	TBD	TBD	TBD
2-1b % of workforce that has advanced degree	20% (19% [actual as of 31 Dec 99] x 1.05)	FY 00 Actual x 1.05	FY 01 Actual x 1.05	FY 02 Actual x 1.05	FY 03 Actual x 1.05	FY 04 Actual x 1.05
2-1c % of workforce is certified	45% (43% [actual as of 31 Dec 99] x 1.05)	FY 00 Actual x 1.05	FY 01 Actual x 1.05	FY 02 Actual x 1.05	FY 03 Actual x 1.05	FY 04 Actual x 1.05
2-1d % of workforce who are members of professional organizations	49% (47% [actual as of 31 Dec 99] x 1.05)	FY 00 Actual x 1.05	FY 01 Actual x 1.05	FY 02 Actual x 1.05	FY 03 Actual x 1.05	FY 04 Actual x 1.05
2-2 Highly motivated workforce Employee Satisfaction Questionnaire Results (for 9 selected questions)	FY 99 Actual Results x 1.05	FY 00 Actual x 1.05	FY 01 Actual x 1.05	FY 02 Actual x 1.05	FY 03 Actual x 1.05	FY 04 Actual x 1.05
2-3 Authorized fill rate		Achieve 97%	Maintain 97%	Maintain 97%	Maintain 97%	Maintain 97%

Goal 3 – Organizational Effectiveness and Efficiency

Operate the most effective and efficient audit organization.

Objective Areas	
3-1	Improve the effectiveness and efficiency of audit engagements
3-1a	Complete all engagements within agreed-to resources (auditor-days, enabler-days & travel $)
3-1b	Increase percent of recommendations that fixed problems
3-1c	Reduce cycle time
3-1d	Increase ROI
3-1e	Increase the percentage of claimed savings that is realized
3-2	Improve the effectiveness and efficiency of support functions

Strategy OE1

Enhance effectiveness of business processes.

Action Plans
1. Enhance employee skills through strategy WF1.
2. Leverage information technology through strategy OE3.
3. Assess and enhance support functions through OE4.
4. Provide services that greatly benefit the Army through strategy CS2.
5. Continue to enhance employee skills (to be defined under WF1) and business processes through quality reviews, follow-up, PAT teams, AAB, etc.
a. Include or emphasize these areas in Agency schools or on-the-job training.
b. Provide process owners with recommendations for improvement.

Strategy OE2

Enhance efficiency of engagements by reducing costs and improving processes.

Action Plans
1. Enhance employee skills through strategy WF1.
2. Leverage information technology through strategy OE3.
3. Implement ABC/ABM concepts to identify cost drivers, processes and activities within engagement processes.
a. Define the activities to be costed out and design methods for capturing cost information.
b. Populate the ABC model with cost data. (This is a continuous process.)
c. Review the model results (output) to identify cost drivers and areas of emphasis.
d. Apply management techniques to reduce costs and time for activities.
4. Apply lessons learned from assessing ABM results and establish targets for each engagement (auditor-days, enabler days, travel costs and cycle times) and overall performance measures.
5. Capture agreed-to resources and actual expenditures (such as 358s without program changes). Stick to program that's determined at some optimum point in time (to be determined based on the results of step 1).
6. Institutionalize this process to achieve continuous improvement of engagement(s).

Strategy OE3

Leverage information technology.

Action Plans
1. Do a requirements analysis to identify overall corporate MIS requirements. The project will occur in two phases: the analysis and design phase, and the build phase.
2. Identify IT requirements needed to support engagements and support processes. At a minimum, identify: ♦ Hardware requirements ♦ Software requirements ♦ Employee IT skills needed ♦ Systems we need to access
3. Explore options for developing and establishing outcome-based performance measures.
4. Compare the results from steps OE3-1 and 2 with current capabilities.
5. Identify shortfalls in our capabilities to Senior Management Group.
a. Determine which shortfalls are worth addressing.
b. Develop a plan to meet those needs within resources.
6. Provide required employee skills identified in OE3-2 to team working WF1-1.
7. Provide corporate requirements identified in OE3-2 to assist team working CS2-2.

Strategy OE4

Assess and enhance support processes.

Action Plans
1. Develop a list of key support processes. Organize the processes and prioritize them. Map the processes in order.
2. Use and maintain ABC/ABM concepts to manage support functions:

a. Assess current support processes.
      ♦ Use tools to manage throughout support processes
      ♦ Assess results (cost of product/output).
      ♦ Take lessons learned and:
         - Make changes as needed.
         - Export best in practice processes and procedures.
         - Coordinate management information requirements (step OE3-1).

b. Establish key performance measures for each process (consider benchmarking).
♦ Identify and establish a system to capture performance accomplishments.
♦ Establish baseline performance accomplishment.
♦ Establish performance goals.
♦ Compare results with goals and analyze for potential improvements. (This is a continuous process.)

Strategy OE5

Develop process to continuously measure performance against the Strategic Plan with a view toward effectively competing for Presidential Quality Award.

Action Plans
1. Develop process and assign responsibilities for tracking, reporting and analyzing strategic plan and performance data.
2. Develop and implement a process for acting on results of analyses, including adjusting internal processes and updating strategic plans.
3. Institute a mechanism to publicize status of the strategic plan.

Organizational Effectiveness and Efficiency Performance Measures

Objective	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
3-1a Complete all engagements within agreed-to resources (auditor-days, enabler-days, and travel dollars).		TBD pending outcome of the ABC effort				
3-1b Increase percent of recommendations that fixed problems.	72% (68.6% [FY 99 actual] x 1.05)	FY 00 Actual x 1.05	FY 01 Actual x 1.05	FY 02 Actual x 1.05	FY 03 Actual x 1.05	95%
3-1c Reduce cycle time ♦ Formal Reports (FY 99 actual – 287 days) ♦ Consulting Reports (FY 99 actual – 140 days) ♦ Memo Reports (FY 99 actual – 99 days) (FY 99 actual x .95)	273 133 94	FY 00 Actual x .95	FY 01 Actual x .95	FY 02 Actual x .95	FY 03 Actual x .95	25% reduction
3-1d Increase ROI - rolling average for 5-yr period (FY 95-$48, FY 96-$10, FY 97-$27, FY 98-$33 and FY 99-$7)	$15 to $1	$15 to $1	$15 to $1	$15 to $1	$15 to $1	$15 to $1
3-1e Increase the percentage of claimed savings that is realized.	% (FY 99 actual x 1.05)	FY 00 Actual x 1.05	FY 01 Actual x 1.05	FY 02 Actual x 1.05	FY 03 Actual x 1.05	95%
3-2 Increase the effectiveness and efficiency of support processes.		TBD	Pending outcome of the ABC effort.			

Goal 4 – Corporate Citizenship

Expand corporate citizenship by fully integrating the Agency into Army functions, performing community service, and actively participating in professional activities.

Objective Areas	
4-1	Army Functions
4-2	Community Service
4-3	Professional Activities

Strategy CC1

Expand corporate citizenship by fully integrating the Agency into Army functions.

Action Plans
1. Establish a process for having DAGs and PDs report periodically on participation by their team members in Army integration activities, such as steering groups and committees. Provide guidelines on what constitutes integration activities.
2. Institute process/procedures for managing developmental assignments. Developmental assignments include these types: ♦ External (Official): Competitive developmental assignment where the person applies to an announcement outside the Agency.   ♦ External (Unofficial): People are detailed outside the Agency but are maintained on our records.   ♦ Internal: Non-Agency personnel are detailed into the Agency (officially or unofficially).
a. Update guidance for all types of developmental assignments in USAAAR 600-21. Include: ♦ Requirement to prepare a memorandum of understanding (MOU) that clearly identifies objectives and responsibilities (including administrative responsibilities such as performance ratings and leave issues) for the developmental assignment.   ♦ Sample MOU.
b. For each external developmental assignment, manage the preliminary planning (IAW guidance in step 2.a.) and the process throughout to maximize the benefit the Agency garners for the investment it makes.
c. Identify opportunities for internal developmental assignments within the Agency for other Army personnel.
d. Plan the purpose of the official internal developmental assignments (clearly identify objectives), identify the career fields and advertise the opportunities.
e. Develop and implement a reporting process for developmental assignments that captures type, number, location, duration, employee, grade, team, and hours devoted.
3. Assess the overall level of participation in terms of investment versus benefits for integration activities and developmental assignments. Adjust as appropriate.
a. Determine current investment in integration activities (number of hours) and developmental assignments (number of FTEs).
b. Assess the benefits of our investment and determine an appropriate level of participation.
c. Develop performance measures for FYs 02-05.
d. Reassess periodically the overall level of participation. Make adjustments as appropriate.

Strategy CC2

Expand corporate citizenship by performing community service.

Action Plans
1. Encourage participation in community service.
2. Seek volunteer POCs to identify services to benefit the Army Community: ♦ Coordinate with installation directorate of personnel and community activities to identify Army communities that need help. ♦ Publicize the needs (such as a link to website).
3. Continue to summarize and report data on community service participation in weekly staff notes. Highlight services that directly benefit Army communities.
4. Benchmark participation by other Federal agencies/private-sector companies in community service (number of hours as a % of workforce).

Strategy CC3

Expand corporate citizenship by actively participating in professional activities.

Action Plans
1. Encourage participation in professional organizations and activities (beyond being a member), such as publishing an article; serving as an officer, board or committee member; or being a guest speaker.
2. Report data on participation in weekly staff notes and significant action items (as appropriate).
3. Consolidate data on participation from weekly staff notes.

Corporate Citizenship Performance Measures

Objective	FY 00		FY 01	FY 02	FY 03	FY 04	FY 05
4-1 Devote resources to Army integration and developmental assignment activities.	a. Integration Activities		Establish baseline (# of hrs)	TBD after baseline is established.			
	b. Developmental		Establish baseline (# of FTEs)	TBD after baseline is established.			
4-2 Community service hours that benefit the Army and local communities	2,050 hrs		2,150 hrs	2,260 hrs	2,370 hrs	2,490 hrs	2,620 hrs
4-3 Number of Agency personnel who actively participate in professional activities	New Measure (begin FY 01)		Establish baseline	TBD after baseline is established.			